



July 20, 2012

Re: Request for Qualifications – Performance Evaluation/Audit Consulting

Dear Consultant:

The City of Costa Mesa is currently seeking responses to a Request for Qualifications (RFQ) for Performance Evaluation/Audit Consultants specific to the examination and forecasting of the impacts related to pension formula adjustments. Enclosed you will find a Scope of Work and Services which details the responsibilities and requirements of the position.

If you are interested, please submit a letter of interest along with your firm's proposed fee schedule inclusive of hourly rates no later than August 17th, 2012. Be sure to include sample projects, references, proven track record of success on performance and system evaluations, and previous work experience.

Should you have any questions regarding this matter, please feel free to contact Dan Baker at (714) 754-5156.

Sincerely,

Rick Francis
Assistant Chief Executive Officer
City of Costa Mesa

PART I

GENERAL INFORMATION

The City of Costa Mesa is currently seeking responses to a Request for Qualifications (RFQ) for one or more independent auditing firms or consultants that are experienced in system performance evaluations/audits specific to the examination and forecasting of the impacts related to pension formula adjustments. Through this Request for Qualifications (RFQ) process, the City seeks to identify those auditing firm(s) or consultants who are best able to conduct system performance evaluations based upon the listed items in the scope of services section, on an as-needed basis. Please note that award of a contract does not guarantee or provide assurances that an auditing firm or consultant will be assigned any specific, minimum number, or monetary amount of audit services work orders during the contract period.

This RFQ provides interested auditing firms or consultants with sufficient information to enable them to prepare and submit statements of qualification for consideration by the City to satisfy a need for system performance evaluation/audit services. Parties wishing to be considered for inclusion should respond to this RFQ in all respects.

The City reserves the right to separately retain auditing firms or consultants to provide performance evaluation services for operational areas not specified in this RFQ. Such assignments may be based on complexity and such other factors as the City deems, in its sole discretion, relevant.

SCOPE OF WORK

The City of Costa Mesa is seeking an outside organization to perform independent, system performance evaluations/audits specific to the examination and forecasting of the impacts related to pension formula adjustments. More precise Scopes of Work will be agreed upon for each distinct area under review.

SCOPE OF SERVICES

A Performance Evaluation/Audit would include the following types of activities:

1. Cost effectiveness assessments;
2. Best practices analysis;
3. Organization/Department structure analysis;

4. Program performance evaluation;
5. Workload evaluations;
6. Process engineering or reengineering;
7. Assessment of compliance with Federal and State laws;
8. Assessment of compliance with existing Council and City policies;
9. Service level assessments; and/or
10. Information technology assessments.

Issuing Office. This RFQ is issued for the City by the **Office of the Chief Executive Officer**. All questions regarding this RFQ must be directed to the City pursuant to the process identified below. No questions will be addressed except through such process.

Type of Contract. It is proposed that if a contract is entered into as a result of this RFQ, work will be assigned based upon the City Council's annual work plan.

Rejection of Statements of Qualification. The City reserves the right to reject any and all Statements of Qualifications received as a result of this RFQ.

Subcontracting. Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period, use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the City.

A firm or consultant that responds to this solicitation as a primary proposer may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one primary proposer responding to the project advertisement or RFQ.

Incurring Costs. The City is not liable for any costs incurred by Respondents in their preparation and submission of Statements of Qualification, in participating in the RFQ process.

Questions and Answers. Written questions may be submitted to clarify any points in the RFQ which may not have been clear. Written questions should be submitted by email to daniel.baker@costamesaca.gov. All questions and written answers will be posted to the City's website as an addendum to and become part of this RFQ.

Addenda to the RFQ. If it becomes necessary to revise any part of this RFQ before the response date, addenda will be posted to the City's website under the original RFQ

document. It is the responsibility of all Respondents to periodically check the website for any new information or addenda to the RFQ.

Response. To be considered, Statements of Qualification must be delivered to the City of Costa Mesa, Department of the CEO, Attention: Rick Francis, Assistant Chief Executive Officer, on or before **5:00 p.m. PDT, Friday, August 17, 2012**. The City of Costa Mesa is located at 77 Fair Drive, Costa Mesa, CA, 92627. Our mailing address is P. O. Box 1200, Costa Mesa, CA 92628-1200.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the City office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next City business day on which the office is open.

Statements of Qualifications. To be considered, Respondents should submit a complete response to this RFQ, using the format provided in PART II. Each Statement of Qualifications should be submitted in **three (3)** hard copies to the CEO's Department. Each page should be numbered for ease of reference. Statements of Qualification must be signed by an official authorized to bind the Respondent to its provisions and include the Respondent's Federal Identification Number.

Economy of Preparation. Statements of Qualifications should be prepared simply and economically, providing a straightforward, concise description of the Respondent's ability to meet the requirements of the RFQ. For submissions, the body (as listed in part II) of the proposal shall not exceed twenty (20) pages of 12 point type, excluding required tables and appendices.

Discussions for Clarification. Proposers who submit Statements of Qualifications may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

Statement of Qualifications Contents. Statements of Qualifications will be held in confidence and will not be revealed or discussed with competing respondents. All material submitted with the statement becomes the property of the City and may be returned only at the City's option. The City has the right to use any or all ideas presented in any response. Selection or rejection of the responding firm does not affect this right.

Debriefing Conferences. Respondents whose firms are not selected to be included in the pool will be notified of the name of the selected Respondents and given the opportunity to be debriefed, at their request. The Issuing Office will schedule the time and location of the debriefing. The debriefing will not include any comparison with other Respondents.

News Releases. News releases pertaining to this RFQ will not be made without prior City approval, and then only in coordination with the Issuing Office.

Respondent's Representations and Authorizations. Each Respondent, by submitting its Statement of Qualifications, understands, represents, and acknowledges that:

The Respondent is not currently under suspension or debarment by the federal government, and if the Respondent cannot so certify, then it shall submit along with the Statement of Qualifications a written explanation of why such certification cannot be made.

Each Respondent, by submitting its Statement of Qualifications, authorizes the release to the City, information related to liabilities including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

The Respondent has not, under separate contract with the City, made any recommendations to the City concerning the need for the services described in the RFQ.

PART II

INFORMATION REQUIRED FROM RESPONDENTS

Statements of Qualification must be submitted in the format, including heading descriptions, outlined below. To be considered, the response must respond to all requirements in this part of the RFQ. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the Statement of Qualifications.

The City reserves the right to request additional information which, in the City's opinion, is necessary to assure that the Respondent's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFQ.

Required Information:

1. **Title Page.** Show the name of Respondent's firm, address, telephone number, name of contact person, date and the subject: REQUEST FOR QUALIFICATIONS FOR PERFORMANCE SYSTEM EVALUATIONS
2. **Table of Contents.** Include a clear identification of the material by section and by page number.
3. **Cover Letter and Executive Summary.** This letter must be signed by an individual who is authorized to negotiate terms, render binding decisions and commit the firm's resources.
4. **Understanding of the Work.** Summarize the Respondent's understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal. (Limit to two pages.)
5. **Firm Overview.** Provide a brief history and description of your firm's business organization and its auditing expertise and experience as it relates to the requirements discussed previously. Include the location of offices and the number and types of auditors or other relevant professional staff in each office and discuss your firm's presence in the area. Include a discussion of the specific expertise and services that distinguish your firm.
6. **Personnel and References.** Provide the names, proposed roles, background and experience, current professional licenses, office location and availability of the personnel that would perform audit services on the City's account, and specifically identify the primary person(s) who will be responsible for managing the relationship with the City. Respondent must submit a current resume for all proposed audit staff listing relevant experience and applicable professional affiliations. Provide a list of

five references of clients for which your firm has performed similar work within the past three years.

7. **Relevant Expertise and Experience.** Provide a narrative statement regarding your auditing expertise and experience as it relates to the Scope of Services on page 2 of this RFQ. Additionally include a statement regarding your understanding of the requirements as outlined in this RFQ. At a minimum your firm will need to meet the following criteria:
 - Extensive knowledge and experience in the area of both fiscal and management auditing;
 - A working knowledge of municipal accounting principles and modern management and reporting practices;
 - A track record of demonstrated and meaningful leadership capability;
 - Superior written and verbal skills;
 - Ability to establish rapport and cordial working relationships with key personnel, departments and agencies being audited, while at all times maintaining a posture of objectivity and independence;
 - MBA or MPA desirable;
 - (CPA) Certified Public Accountant and/or (CIA) Certified Internal Auditor preferred.
8. Describe your firm's experience in providing auditing services to other clients, especially other governmental entities and/or similar public/private sector organizations. Describe the business practices that enable you to complete these tasks in an efficient, timely and, at times, expeditious manner.
9. Include a statement regarding any other specialized auditing services your firm may offer.
10. **Potential Conflict of Interest.** Identify any relationships or activities that might present a conflict of interest if your firm is selected to provide audit/assessment services as described in this RFQ.
11. **Professional Liability Insurance.** Describe the level of professional liability insurance carried, including the deductible amount, to cover errors and omissions and negligence.

PART III

CRITERIA FOR SELECTION

Mandatory Responsiveness Requirements. To be eligible for selection, the Statement of Qualifications should be (a) timely received from a Respondent; and (b) properly signed by the Respondent.

Statements of Qualification will be reviewed, evaluated, and rated by a Evaluation Team of qualified personnel. The Evaluation Team will present the evaluations to the CEO for final consideration and the City Council or will confirm the final selections. Inclusion in the pool will only be available to Respondents determined to be responsive and responsible in accordance with City of Costa Mesa Policies and Procedures.

The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each statement of qualifications.

1. Overall
 - a. Responsiveness, organization, and clarity of Statement of Qualifications.
 - b. Ability to provide the specialized expertise and experience requested in the RFQ.
 - c. Organization, size and structure of firm.
 - d. Ability to perform audit services in a professional, efficient and timely manner.
2. Assigned Personnel
 - a. Qualifications and experience of professional staff, tenure with firm, length of time in the industry and type of experience.
 - b. Responses of reference checks.
 - c. Location and availability to City staff.
3. Firm Experience
 - a. Length of time in the industry.
 - b. Relevant experience.